

2016 Swift County Final Levy and Budget

Final 2016 Budget
Truth-In-Taxation Hearing
December 1, 2015

Today's Agenda

- Overview
- 2016 Budget Assumptions
- Historical Information
- 2016 Preliminary Budget and Levy
- 2016 Revenues and Expenses
- Discussion Items
- Timeline moving forward

Overview

2016 Budget and Levy
Truth-In-Taxation Hearing
December 1, 2015

Thank you to the Public

- To the citizens and public who are here tonight!
- Tonight the board and staff will:
 - Discuss budget and proposed property tax. This includes a discussion on the proposed property tax levy for the taxes payable year 2016 and the proposed budget for the taxes payable year 2016.
 - Provide an opportunity for public comment and questions.

Thank you to all County Staff

- Thank you to all of the department heads and staff who have work on the 2016 budget. This budget would not have been possible without their help and assistance.
- Special thanks to:
 - Kim Saterbak (Auditor)
 - Marlene Molden (Auditor)
 - Gary Jensen (Human Service)
 - Lori Rooney (Highway)
 - Amanda Ness (Administration)
 - Wayne Knutson (Assessor)

Overview - Swift is Strong

- Strong Budget Position
 - No Outstanding Bonds
- General Fund revenues exceed expenditures by \$253,728 in 2014. (County Staff was key in making this happen!)
 - General Fund revenues exceed expenditures by \$199,613 in 2013.
 - There was a deficit in the General Fund of \$84,729 in 2012.

Overview - Outlook is positive

- Health care costs remain stable.
 - For 2016, rates are proposed to remain the same as 2015. This follows a 1.08% increase for 2015 and a 0% increase in 2014.
 - At the end of October our health insurance reserve balance was \$840,893.26.
 - The Board approved a half month premium holiday for 2015. This will save the County approximately \$52,500 in 2015.
 - If our claim trend holds, the health insurance committee will likely recommend additional premium holiday(s) in 2016.

Overview - Mixed Results

- MCIT premiums are increasing approximately 0.2% for the County in 2016.
 - Workers' Compensation claims are up. This has caused an increase of over \$15,000 per year between 2012/2013 rates and 2015 rates.
- Employer rates for PERA remain unchanged for 2016.

Overview - Challenges

- 2016 Budget contains \$444,458 more in expenditures than revenues.
 - To keep overall cash on hand balanced the budget uses repayment of loans from:
 - SCBH (\$121,412)
 - Case-NHI (\$311,739)

Overview - Challenges

- Budget contains a number of new positions for 2016 funding including:
 - Started a CP Social Worker in 2015 and used reserves to fund. (1/1/15 start)
 - Fund new CP Social Worker with state funds (7/1/15 start)
 - New Adult DD Social Worker to cover MnChoices (1/1/16 start)
 - 0.2 FTE Regional AP Social Worker
 - Deputy Assessor need to fully fund (5/1/15 start)
 - 2 FTE CCO's due to 2911 rule changes (1/1/16 start)
 - Assistant County Attorneys moved from a 0.7 FTE to 0.8 FTE. (1/1/16 start)

Overview - Challenges

- Future Year Challenges
 - Lack of physical space to grow at Human Services
 - Accredited Assessors
 - At least three local assessors (maybe a 4th) will not continue their current licenses beyond July 1, 2016.
 - New licensing requirement as of July 1, 2019 may see additional local assessors retire.
 - If townships elect for the County to take over additional staff maybe needed beyond the deputy assessor in future budget years.
- HVAC at Courthouse

Opportunities

- Great workforce of dedicated public employees

2016 Budget Assumptions

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Wages

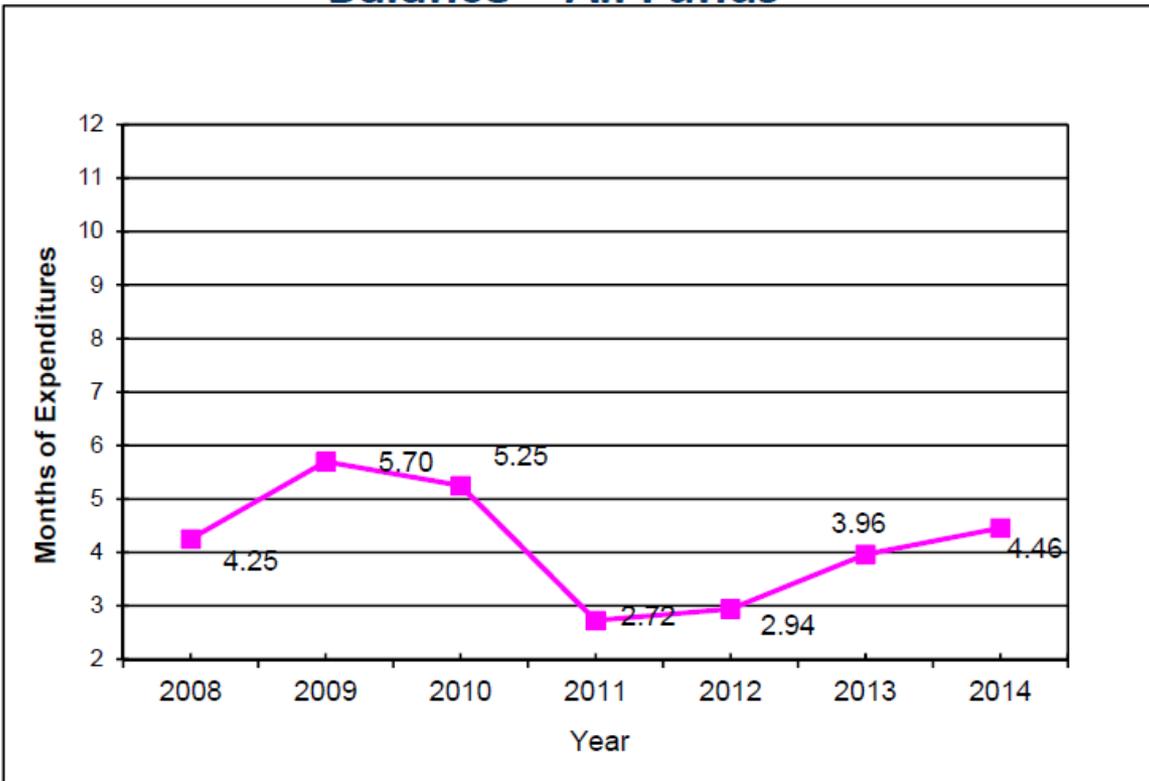
- Contracts are in place for 2016 wages.
- 1.5% COLA increase + steps in the budget
- Under step employees.
 - One non-union employee remains under the correct step. Budget plans that this employee will receive a 2.5% increase on top of the COLA increase.
- 2016 is the last year of the current 3 year contracts. Will negotiate new contracts starting in the fall of 2016 for 2017 and beyond.

Insurance

- Health Insurance
 - Rates are flat for 2016.
- Life and Disability
 - Rates are flat for 2016.

Financial Results

Months of Expenditures in Fund Balance – All Funds



- MN Office of the State Auditor recommends minimum of 5 months for General and Special Revenue Funds
- Increase from the prior year is due to increases in Fund Balance in all funds
- Committed and Unassigned Fund Balance included in calculation

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Expenditures | \$ 16,736,013 | \$15,270,758 | \$16,305,732 | \$19,833,596 | \$19,561,413 | \$17,484,897 | \$18,548,711 |
| Fund Balance | 5,930,358 | 7,247,956 | 7,129,626 | 4,503,403 | 4,792,868 | 5,770,311 | 6,887,629 |

Reserve Balances

- The County as a whole has 4.46 months of reserves. This has been trending up.
- General Revenue Fund ended 2014 with 1.41 months of unrestricted reserves.
 - Up from 0.15 months in 2013 and -0.82 months in 2012.
 - Anticipate the same rate of growth in the General Revenue Fund balance and project we will have around 2.5 months of unrestricted reserves at the end of 2015.

Loan Repayments

- SCBH continues to repay the loan the County made to them in 2012. Annual payments of \$121,412 to the County through 2032.
 - Proposed budget uses this interest and principal payment for operational expenses.
- Case will make last of their loan payments of \$311,739 to the County in 2016.
 - \$50,000 one time cost on GIS Parcel Development
 - \$118,885 for Ambulance in Appleton
 - Remaining \$142,854 to unrestricted reserves.

Loan Repayments

- While the general revenue fund shows a negative budget for 2016 it is anticipated that our 2016 unrestricted reserves balance will still increase.

Historical Information

2016 Budget and Levy
Truth-In-Taxation Hearing
December 1, 2015

Historic CPA

| Year | CPA | |
|------------------|-----------|------------------------|
| 2016 (Certified) | \$188,286 | |
| 2015 (Certified) | \$196,020 | |
| 2014 | \$200,850 | |
| 2013 | \$160,939 | |
| 2012 | \$384,876 | |
| 2011 | \$384,876 | |
| 2010 | \$747,207 | Unalloted to \$561,470 |
| 2009 | \$846,119 | Unalloted to \$754,636 |
| 2008 | \$799,304 | Unalloted to \$677,102 |
| 2007 | \$882,841 | |
| 2006 | \$871,395 | |
| 2005 | \$933,229 | |

Historic Net Levies

| Year | Certified Net Levy | Percentage Change |
|--------------------|--------------------|-------------------|
| 2016 (Preliminary) | \$ 9,830,278 | 4.5% |
| 2015 (Final) | \$ 9,406,965 | 5.7% |
| 2014 | \$ 8,898,984 | 3.0% |
| 2013 | \$ 8,635,405 | 5.9% |
| 2012 | \$ 8,155,264 | 3.9% |
| 2011 | \$ 7,850,554 | 9.0% |
| 2010 | \$ 7,201,210 | 3.4% |
| 2009 | \$ 6,964,275 | 7.6% |
| 2008 | \$ 6,474,520 | 15.4% |
| 2007 | \$ 5,611,645 | 11.8% |

2016 Preliminary Budget and Levy

Preliminary 2016 Budget
County Board Presentation
September 1, 2015

Preliminary 2016 Budget Summary

| | 2015 Final | 2016 Preliminary |
|------------------|-----------------------|-----------------------|
| Revenue | | |
| General Revenue | \$6,507,558 | \$6,603,906 |
| Road and Bridge | \$5,288,879 | \$7,853,071 |
| Human Services | \$4,613,275 | \$5,260,951 |
| Library | \$120,473 | \$124,087 |
| Solid Waste | \$818,750 | \$816,250 |
| Expenses | | |
| General Revenue | \$6,512,858 | \$6,896,928 |
| Road and Bridge | \$5,169,791 | \$7,830,857 |
| Human Services | \$4,632,525 | \$5,260,951 |
| Library | \$120,473 | \$124,087 |
| Solid Waste | \$1,036,270 | \$989,900 |
| Net | | |
| General Revenue | (\$5,300.00) | (\$293,022.00) |
| Road and Bridge | \$119,088.00 | \$22,214.00 |
| Human Services | (\$19,250.00) | \$0.00 |
| Library | \$0.00 | \$0.00 |
| Solid Waste | (\$217,520.00) | (\$173,650.00) |
| TOTAL NET | (\$122,982.00) | (\$444,458.00) |

Proposed Levy Totals

| | 2015 Final | 2016 Preliminary |
|----------------------|-------------------|-------------------------|
| Gross Levy | \$ 9,565,848 | \$ 9,980,943 |
| CPA | \$ 196,020 | \$ 188,286 |
| Operating Levy | \$ 9,369,828 | \$ 9,792,657 |
| Special Levies | \$ 37,137 | \$ 37,621 |
| Total Final Net Levy | \$ 9,406,965 | \$ 9,830,278 |

Proposed Gross Levy by Fund

| | 2015 Final | 2016 Final | Percent Increase |
|-----------------|-----------------------|-----------------------|-----------------------------|
| Revenue | \$ 5,147,473 | \$ 5,165,253 | 0.3% |
| Road and Bridge | \$ 1,905,027 | \$ 1,905,027 | 0% |
| Human Services | \$ 2,392,875 | \$ 2,786,576 | 16.5% |
| Library | \$ 120,473 | \$ 124,087 | 3.0% |
| Solid Waste | \$ 0 | \$ 0 | 0% |
| Gross Levy | \$ 9,565,848 | \$ 9,980,943 | 4.3% |

Possible Gross Levy Increases

- 2016 Preliminary Gross Levy = \$9,980,943

| Percentage Net Levy Increase | Amount of new levy dollars | New Levy Total |
|------------------------------|----------------------------|----------------|
| 2% | \$191,317 | \$9,757,165 |
| 3% | \$286,975 | \$9,852,823 |
| 4% | \$382,634 | \$9,948,482 |
| 4.3% (preliminary Levy) | \$415,095 | \$9,980,943 |
| 5% | \$478,292 | \$10,044,140 |
| 6% | \$573,951 | \$10,139,799 |

Possible 2016 Levy Increase Impacts

VERY Preliminary

- Assumptions:
 - Residential Home \$85,000
 - 2016 value increased 1.1% over 2015 value
 - Residential Home \$200,000
 - 2016 value increased 1.1% over 2015 value
 - Commercial Property
 - 2016 value increased 0.36% over 2015 value
 - 40 Acres of Ag Land
 - 2016 value increased 3.5% over 2015 value

Preliminary Levy Increase Impacts

VERY Preliminary

- Estimated **County portion** Property Tax for 2016

| Percentage Levy Increase | Residential \$85,000 | Residential \$200,000 | Commercial Property | 40 Acres of Ag Land |
|--------------------------|----------------------|-----------------------|---------------------|---------------------|
| 0% | \$223.43 | \$663.17 | \$1,183.63 | \$901.41 |
| 1% | \$225.66 | \$669.80 | \$1,195.46 | \$910.42 |
| 2% | \$227.90 | \$676.43 | \$1,207.30 | \$919.44 |
| 3% | \$230.13 | \$683.06 | \$1,219.14 | \$928.45 |
| 4% | \$232.37 | \$689.70 | \$1,230.97 | \$937.47 |
| 4.5% (Pre. levy) | \$233.48 | \$693.01 | \$1,236.89 | \$944.97 |
| 5% | \$234.60 | \$696.33 | \$1,242.81 | \$946.48 |

Preliminary Levy Increase Impacts VERY Preliminary

- Estimated **County portion** Property Tax Change between 2015 and 2016

| Percentage Levy Increase | Residential \$85,000 | Residential \$200,000 | Commercial Property | 40 Acres of Ag Land |
|--------------------------|----------------------|-----------------------|---------------------|---------------------|
| 0% | (\$0.21) | (\$0.62) | (\$9.85) | \$20.07 |
| 1% | \$2.02 | \$6.01 | \$1.99 | \$29.09 |
| 2% | \$4.26 | \$12.64 | \$13.82 | \$38.10 |
| 3% | \$6.49 | \$19.27 | \$25.66 | \$47.12 |
| 4% | \$8.73 | \$25.90 | \$37.50 | \$56.13 |
| 4.5% (Pre. levy) | \$9.84 | \$29.22 | \$43.42 | \$60.64 |
| 5% | \$10.96 | \$32.54 | \$49.33 | \$65.15 |

County Only Taxes - Payable 2014

| County | Residential \$85,000 | Residential \$200,000 | Commercial Property \$200,000 | 40 Acres of Ag Land \$240,000 |
|-----------------|-------------------------|--------------------------|-------------------------------------|-------------------------------------|
| Lac qui Parle | \$165.95 | \$492.57 | \$885.63 | \$654.00 |
| Yellow Medicine | \$206.02 | \$611.51 | \$1,099.48 | \$811.92 |
| Chippewa | \$231.79 | \$687.97 | \$1,236.95 | \$913.44 |
| Swift | \$233.92 | \$694.30 | \$1,248.33 | \$921.84 |
| Stevens | \$253.40 | \$752.14 | \$1,352.33 | \$998.64 |
| Big Stone | \$254.62 | \$755.76 | \$1,358.83 | \$1,003.44 |
| Pope | \$282.33 | \$838.00 | \$1,506.70 | \$1,112.64 |
| Kandiyohi | \$348.17 | \$1,033.40 | \$1,858.03 | \$1,372.08 |

County Only Taxes - Payable 2015

| County | Residential \$85,000 | Residential \$200,000 | Commercial Property \$200,000 | 40 Acres of Ag Land \$240,000 |
|-----------------|-------------------------|--------------------------|-------------------------------------|-------------------------------------|
| Lac qui Parle | \$148.05 | \$439.43 | \$790.08 | \$583.44 |
| Yellow Medicine | \$205.96 | \$611.33 | \$1,099.15 | \$811.68 |
| Chippewa | \$220.95 | \$655.80 | \$1,179.10 | \$870.72 |
| Stevens | \$221.92 | \$658.69 | \$1,184.30 | \$874.56 |
| Swift | \$223.64 | \$663.79 | \$1,193.48 | \$881.34 |
| Big Stone | \$252.25 | \$748.71 | \$1,346.15 | \$994.08 |
| Pope | \$276.67 | \$821.19 | \$1,476.48 | \$1,090.32 |
| Kandiyohi | \$334.46 | \$992.73 | \$1,784.90 | \$1,318.08 |

Surrounding County 2016 Levy Changes

| County | % Change |
|-----------------|-------------|
| Big Stone | 2.8% |
| Chippewa | 4.8% |
| Kandiyohi | 4.5% |
| Lac qui Parle | 2.9% |
| Pope | 4.0% |
| Stevens | 0.0% |
| Swift | 4.5% |
| Yellow Medicine | 6.7% |

Other Levies

- RDA - \$87,000 (No Change from 2015)
- HRA - \$145,000 (Increase of \$100,000 over 2015)

2016 Revenues and Expenses

2016 Budget and Levy
Truth-In-Taxation Hearing
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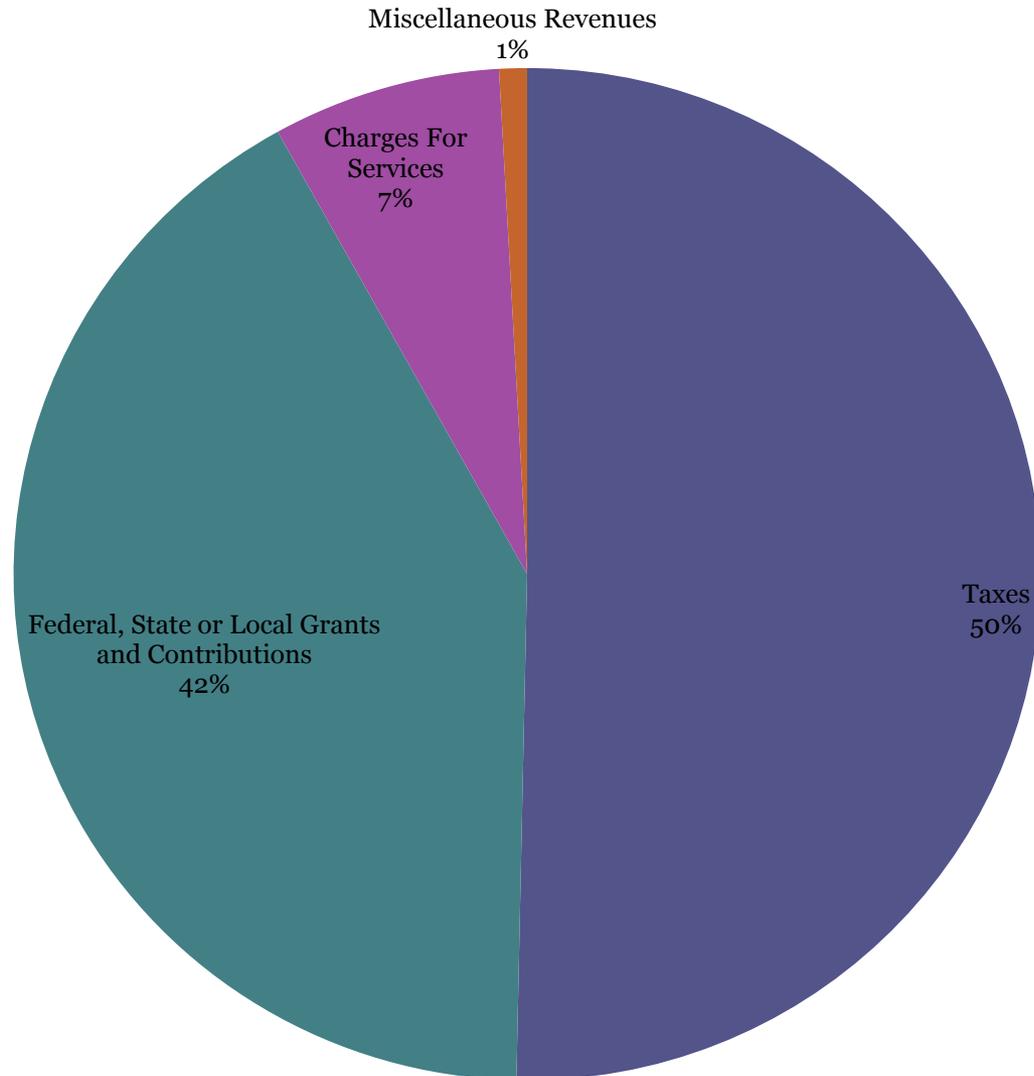
Revenues and Expenses

- The proposed 2016 budget contains:
 - Revenues of \$20,658,265
 - \$9,980,943 is the proposed levy with \$9,830,278 in actual County property taxes after CPA and special levies are accounted for.
 - Expenditures of \$21,102,723.
 - Planned deficit of \$444,458.
 - While the budget is running a deficit, the budget uses repayment of loans from SCBH (\$121,412) and Case-NHI (\$311,739) to keep overall cash on hand balanced.

2015 and 2016 Revenue Sources

| | 2015 | | 2016 | |
|--|----------------------|-----|----------------------|-----|
| Taxes | \$ 10,067,207 | 58% | \$ 10,397,783 | 50% |
| Federal, State or Local Grants and Contributions | \$ 5,550,586 | 32% | \$ 8,593,020 | 49% |
| Charges For Services | \$ 1,515,842 | 9% | \$ 1,486,762 | 9% |
| Miscellaneous Revenues | \$ 215,300 | 1% | \$ 180,700 | 1% |
| Total | \$ 17,613,827 | | \$ 20,658,265 | |

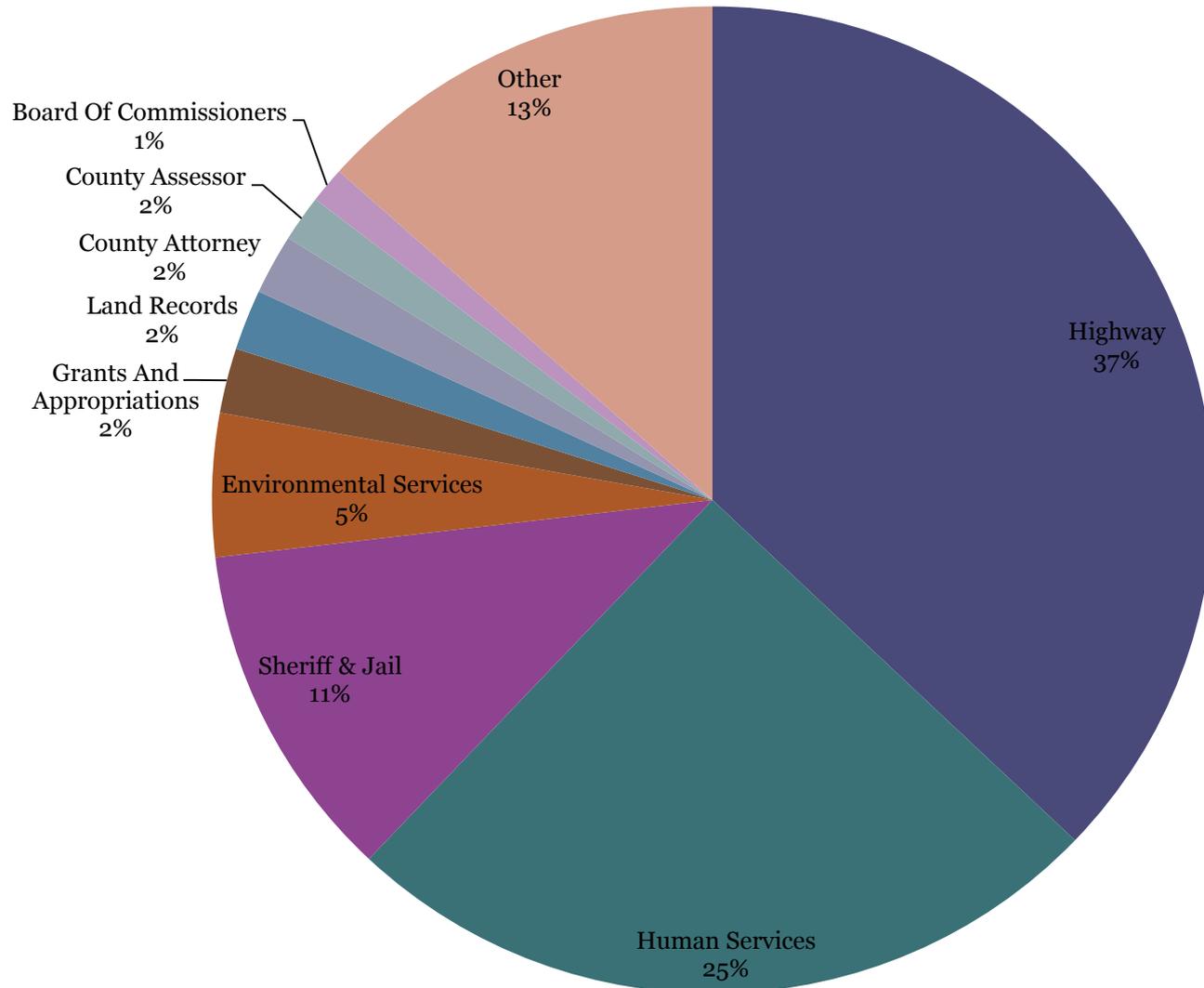
2016 Revenues



2015 and 2016 Expenses by Department

| Department | 2015 | 2016 |
|---------------------------|---------------------|---------------------|
| Highway | \$ 5,169,791 | \$ 7,830,857 |
| Human Services | \$ 4,632,525 | \$ 5,260,951 |
| Sheriff & Jail | \$ 2,333,307 | \$ 2,342,568 |
| Environmental Services | \$ 1,036,270 | \$ 989,900 |
| Grants And Appropriations | \$ 442,419 | \$ 448,657 |
| Land Records | \$ 456,220 | \$ 418,630 |
| County Attorney | \$ 415,840 | \$ 414,610 |
| County Assessor | \$ 275,395 | \$ 320,620 |
| Board Of Commissioners | \$ 241,220 | \$ 248,010 |
| Other | \$ 2,468,930 | \$ 2,827,920 |
| Total | \$17,471,917 | \$21,102,723 |

2016 Expenditures by Departments



Incredible Value

- “Bundled” Cable, Phone, and Internet service costs residential homeowner about \$100.00 a month

Cable

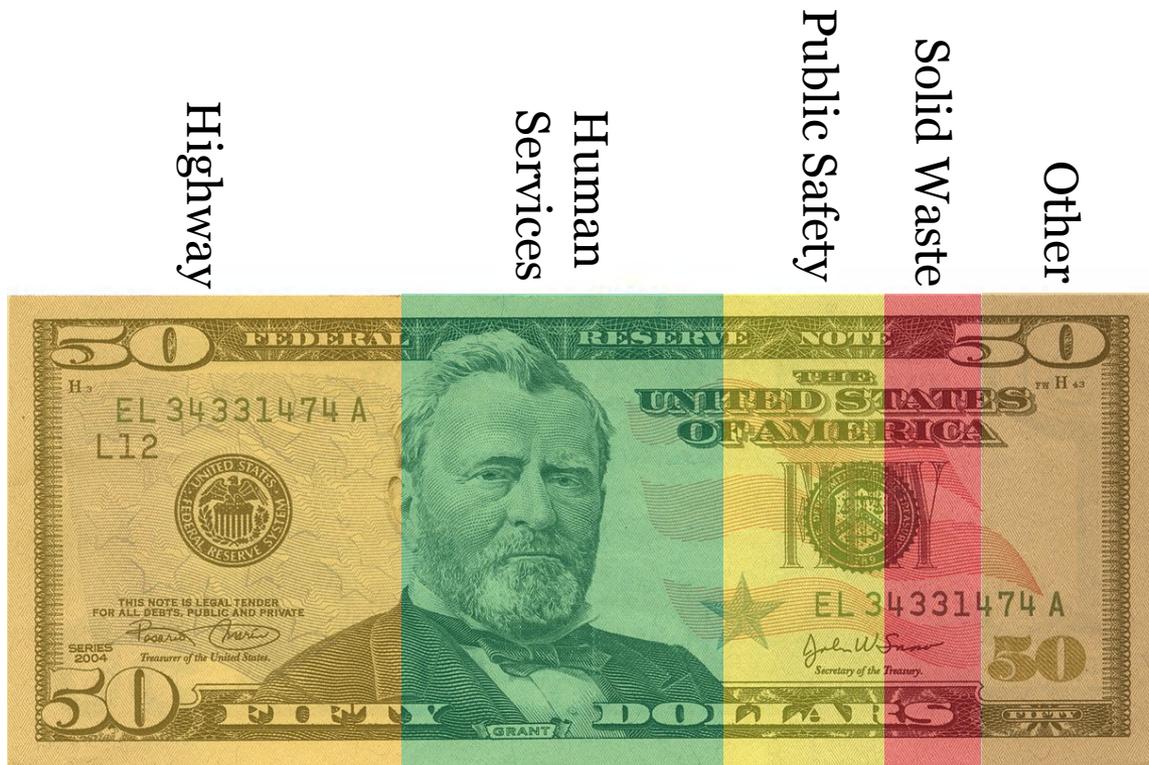
Phone

Internet



Incredible Value

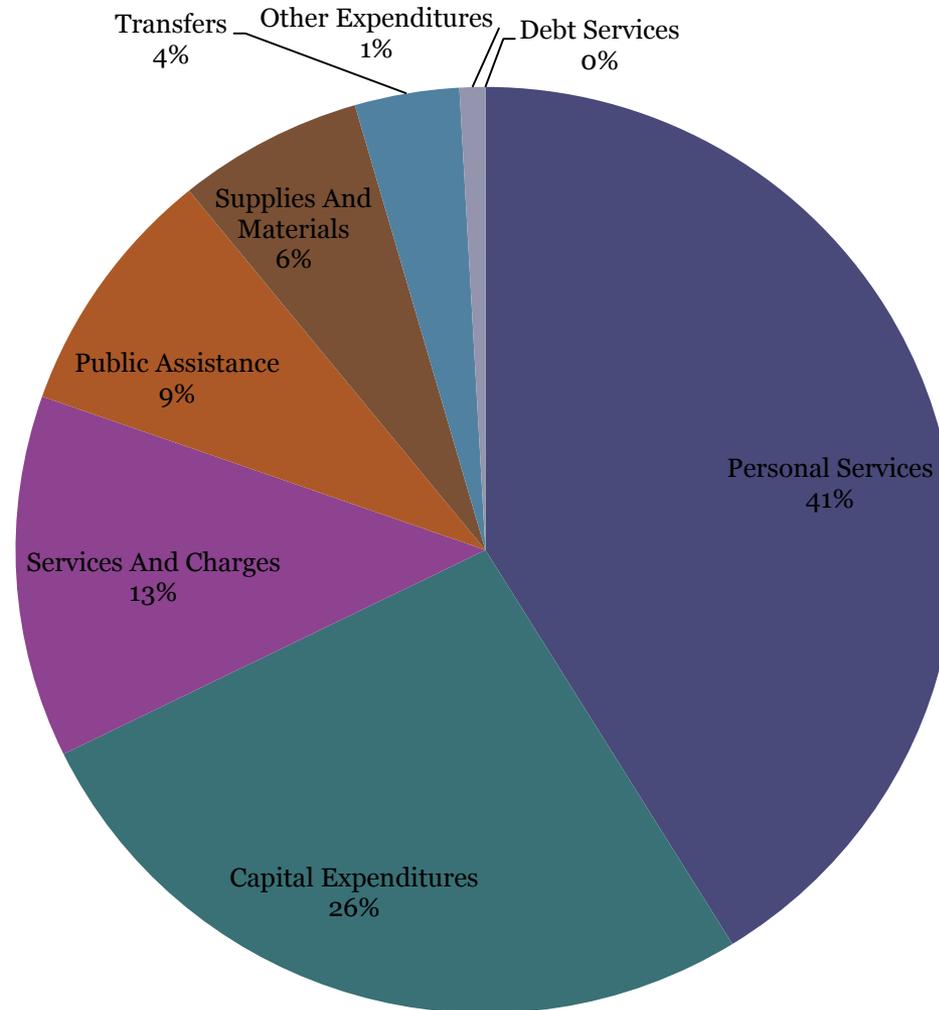
- The county's “bundled” services cost the average homeowner under \$50.00 a month.



2015 and 2016 Expenses by Type

| Type | 2015 | 2016 |
|------------------------|----------------------|----------------------|
| Personal Services | \$ 8,218,505 | \$ 8,692,229 |
| Capital Expenditures | \$ 2,776,045 | \$ 5,602,857 |
| Services And Charges | \$ 2,653,063 | \$ 2,667,326 |
| Public Assistance | \$ 1,604,250 | \$ 1,847,850 |
| Supplies And Materials | \$ 1,284,688 | \$ 1,346,536 |
| Transfers | \$ 744,249 | \$ 758,991 |
| Other Expenditures | \$ 191,117 | \$ 186,934 |
| Debt Services | \$ - | \$ - |
| TOTAL | \$ 17,471,917 | \$ 21,102,723 |

2016 Expenditures by Function



Discussion Items

2016 Budget and Levy
Truth-In-Taxation Hearing
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Major Budget Changes

- Added two new CCO positions in the jail for 2016 due to the 2911 rules. Still waiting word from DOC on variance.
- Moving 0.7 FTE Assistant County Attorney to 0.8 FTE
- Human Services includes the following new positions:
 - Started a CP Social Worker in 2015 and used reserves to fund (1/1/15 start)
 - New CP Social Worker with state funds (7/1/15 start)
 - New Adult DD Social Worker to cover MnChoices (1/1/16 start)
 - New 0.2 FTE Regional AP Social Worker
- Added \$28,500 over 2015 for a total of \$50,000 for park maintenance

Discussion items

- The board included \$121,976 in the preliminary budget for technology improvements at Human Services.
 - Staff is still working on options and will present some at the December 15 CSS meeting.
- GIS Parcel Layer bid came in under expected. Could reduce \$35,000 out of 2016 budget.
- Are the changes the board/public wishes to see be made at this point?

Budget Schedule

2016 Budget and Levy
Truth-In-Taxation Hearing
December 1, 2015

2016 Budget Calendar

| | |
|--------------------|--|
| July 31, 2015 | Budget Forms due to Administrator |
| August 10-21, 2015 | One on One meetings between Department Heads and Administrator |
| Late August, 2015 | Health Insurance Committee Rate Recommendation |
| September 1, 2015 | Review Initial Budget Requests with the Board |
| September 15, 2015 | Last Regular Meeting to set HRA/RDA Preliminary 2016 Levies |
| September 15, 2015 | Deadline to set HRA/RDA preliminary 2016 Levies |
| September 15, 2015 | Last Regular Meeting to set County preliminary 2016 Levy and TNT Meeting |
| September 30, 2015 | Deadline to set County preliminary 2016 Levy and date for TNT meeting |
| December 1, 2015 | TNT Meeting  |
| December 15, 2015 | Last Regular Board Meeting to set final 2016 Levy |
| December 30, 2015 | Deadline to set final 2016 Levy and Budget |

For More Information

- All of Swift County's budget documents can be viewed at www.swiftcounty.com/budget
- Contact County Administrator Mike Pogge-Weaver at 320-314-8399 or via email at mpogge@co.swift.mn.us

Questions?

Thank you for attending!